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E.O. 12958: DECL: 10/16/2018
TAGS: [PARM](#) [MTCRE](#) [PREL](#) [MNUC](#) [ETTC](#) [RS](#)
SUBJECT: IRAN, NORTH KOREA, AND SYRIA NONPROLIFERATION ACT
-- NOTIFICATION OF SANCTIONS AGAINST ROSOBORONEXPORT (C)

REF: A. 08 STATE 137954
[1](#)B. 08 STATE 17205
[1](#)C. 07 STATE 26466
[1](#)D. STATE 086309
[1](#)E. STATE 108136

Classified By: ACTING EUR DAS ANITA FRIEDT
FOR REASONS 1.4 B, D, and H.

[1](#)1. (U) This is an action request. Embassy Moscow please see paragraph 5.

[1](#)2. (S) Background: The Iran, North Korea and Syria Nonproliferation Act (INKSNA) requires periodic reports to Congress identifying foreign entities with respect to whom there is credible information indicating that they have transferred to or acquired from Iran, North Korea or Syria goods, services, or technology on multilateral export control lists (Australia Group (AG), Chemical Weapons Convention (CWC), Missile Technology Control Regime (MTCR), Nuclear Suppliers Group (NSG), and the Wassenaar Arrangement) or other items with the potential to make a material contribution to missile systems or the development of WMD. Sanctions may be imposed under Section 3 of the INKSNA on those persons identified in the report. The USG has determined that Rosoboronexport engaged in activities, as noted above, that warrant the imposition of sanctions.

[1](#)3. (S) Accordingly, pursuant to the provisions of the INKSNA, the following penalties are imposed on ROE, its subunits, subsidiaries, and successors except to the extent that the Secretary of State otherwise may have determined:

- a. No department or agency of the United States Government may procure, or enter into any contract for the procurement of any goods, technology, or services from the sanctioned entity;
- b. No department or agency of the United States Government may provide any assistance to the sanctioned entity, and the sanctioned entity shall not be eligible to participate in any assistance program of the United States Government;
- c. No USG sales to the sanctioned entity of any item on the United States Munitions List are permitted, and all sales to them of any defense articles, defense services, or design and construction services under the Arms Export Control Act are terminated; and
- d. New individual licenses shall be denied and existing licenses are suspended for the transfer to the sanctioned entity of items, the export of which is controlled under the Export Administration Act of 1979 or the Export Administration Regulations.

These measures will remain in place for two years. We want to provide advance notice to the Russian Government of this decision, note that this determination will be published soon in the Federal Register, and make clear that the penalties are only on Rosoboronexport and not the Government of Russia.

¶4. (S) Purpose/Objective: To inform the host government of the sanction determination prior to its publication in the Federal Register. Post may also draw from reftels on this case as appropriate, to reiterate U.S. concerns regarding the supply of conventional arms to Iran. Post should make clear that the U.S. will continue to raise cases of proliferation concern with the Government of Russia and look for opportunities to cooperate.

¶5. (S) Action request: Post is requested to provide the following suggested talking points to appropriate Russian government officials and report response. Talking points also may be provided as a non-paper.

¶6. (S//REL RUSSIA) Suggested Talking Points:

-- The United States has determined that there is credible information indicating that Rosoboronexport (ROE) transferred to Iran TOR-M1 surface-to-air missile systems.

-- We have regularly advised the government of Russia that we object to arms sales to Iran and Syria. Continued arms sales to Iran and Syria undermine our joint diplomatic efforts to resolve the Iranian nuclear weapons issue and threaten or destabilize regional stability in the Middle East and threaten U.S. and coalition forces.

-- As we have recently discussed, Iran and Syria are both State Sponsors of Terrorism, and Russian entities that have previously or continue to make proliferation-related transfers to these states risk incurring sanctions under U.S. law.

-- We view military- and proliferation-related transfers to Iran very seriously, particularly in light of Iran's continuing refusal to meet IAEA and UN requirements with regard to its nuclear program and its transfers of conventional weapons to insurgent groups in Iraq and Afghanistan as well as Hezbollah.

-- The U.S. has thus decided to impose sanctions on ROE as provided for in the Iran, North Korea, and Syria Nonproliferation Act (INKSNA).

-- Accordingly, pursuant to the provisions of the INKSNA, the following measures are imposed on ROE and its successors, subunits, and subsidiaries:

a. Except to the extent that the Secretary of State otherwise may have determined, no department or agency of the United States Government may procure, or enter into any contract for the procurement of any goods, technology, or services from ROE;

b. Except to the extent that the Secretary of State otherwise may have determined, no department or agency of the United States Government may provide any assistance to ROE, and ROE shall not be eligible to participate in any assistance program of the United States Government;

c. Except to the extent that the Secretary of State otherwise may have determined, no USG sales to ROE of any item on the United States Munitions List are permitted, and all sales to ROE of any defense articles, defense services, or design and construction services under the Arms Export Control Act are terminated; and

d. Except to the extent that the Secretary of State otherwise may have determined, no new individual licenses shall be granted for the transfer to ROE of items, the export of which is controlled under the Export Administration Act of 1979 or the Export Administration Regulations, and existing such licenses are suspended.

-- These measures will take effect shortly and will remain in place for two years.

-- This determination will be published soon in the Federal Register.

SECRET/Rel Russia

If Raised:

Appearance of Federal Register notice:

-- The Federal Register notice will appear in the coming week. We'll make sure you receive a copy.

Termination of sanctions:

-- As a matter of policy, the U.S. has been willing to reconsider the sanctions if the company provided further information and/or made certain commitments. This was the case with Sukhoy.

-- Our commitment to nonproliferation and our particular concerns about arms sales to Iran and Syria remain.

-- Continued arms sales to Iran and Syria undermine our joint diplomatic efforts to resolve the Iranian nuclear weapons issue and the crisis in the Middle East.

End Talking Points

17. (U) Please slug any reporting on this issue for VCI, EUR/PRA, and EUR/RUS. A response is requested as soon as possible. Department point of contact is Matt Hardiman, EUR/PRA, and Steve Tomchik, VCI/FO.
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